

ASSEMBLY BILL

No. 1554

Introduced by Committee on Jobs, Economic Development, and the Economy (V. Manuel Perez (Chair), Logue (Vice Chair), Beall, Bill Berryhill, Block, Huber, and Salas)

March 11, 2009

An act to amend Sections 7085 and 7085.1 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1554, as introduced, Committee on Jobs, Economic Development, and the Economy. Economic development: Omnibus bill.

Existing law requires the Department of Housing and Community Development to submit a report to the Legislature every 5 years evaluating specified effects of enterprise zones.

This bill would revise the dates that the department is required to submit its reports.

Existing law requires a geographically targeted economic development area (G-TEDA) to report to the Department of Housing and Community Development by October 1, 2008, and every 2 years thereafter, on progress made toward its existing goals and objectives and plans for the following 2-year period.

This bill would make technical, nonsubstantive changes to this provision.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares that this act
2 by the Assembly Committee on Jobs, Economic Development,
3 and the Economy is the committee's annual omnibus bill on
4 geographically targeted economic development areas.

5 SEC. 2. Section 7085 of the Government Code is amended to
6 read:

7 7085. (a) Notwithstanding Section 7550.5, the department
8 shall submit a report to the Legislature *on or before December 31,*
9 *2010, addressing the period of January 1, 2004, to July 1, 2010,*
10 *inclusive, and submit a report every five years* ~~beginning January~~
11 ~~1, 1998, thereafter, addressing the period of the five immediately~~
12 ~~preceding fiscal years,~~ that evaluates the effect of the program on
13 employment, investment, and incomes, and on state and local tax
14 revenues in designated enterprise zones. The report shall include
15 a department review of the progress and effectiveness of each
16 enterprise zone, including, but not limited to, any efforts made
17 regarding training of unemployed individuals pursuant to Section
18 7081. The Employment Development Department shall, for the
19 purposes of the report, provide the department with existing data
20 on unemployed individuals receiving training. The Franchise Tax
21 Board shall make available to the department and the Legislature
22 aggregate information on the dollar value of enterprise zone tax
23 credits that are claimed each year by businesses.

24 (b) An enterprise zone governing body shall provide information
25 at the request of the department as necessary for the department
26 to prepare the report required pursuant to subdivision (a).

27 SEC. 3. Section 7085.1 of the Government Code is amended
28 to read:

29 7085.1. (a) The governing board of the G-TEDA shall report
30 to the department by October 1, 2008, and by that date every other
31 year thereafter, on the activities of the G-TEDA in the previous
32 two fiscal years and its plans for the current and following fiscal
33 year. The biennial report shall include at least both of the following:

34 (1) The progress the G-TEDA has made during the period
35 covered by the report relative to its goals, objectives, and
36 commitments set forth in its original application and the
37 department's memorandum of understanding with the G-TEDA.

1 (2) Identification of the previous two years' funding, including
2 in-kind funding. The previous two years' funding levels shall be
3 compared to the funding levels identified in its original application
4 and the department's memorandum of understanding with the
5 G-TEDA, and the amount identified in the previous year's biennial
6 report. An explanation of any meaningful discrepancies in these
7 amounts shall be provided.

8 (b) A copy of the biennial report developed pursuant to
9 subdivision (a) shall also be submitted to the legislative bodies of
10 the local jurisdictions comprising the G-TEDA. The progress of
11 the G-TEDA in meeting the goals, objectives, and commitments
12 set forth in the original application and the memorandum of
13 understanding with the department shall be reviewed at least
14 biennially by these legislative bodies, either as part of the approval
15 of the G-TEDA's annual work plan or separately, at the discretion
16 of the legislative body *bodies*.

17 (c) (1) G-TEDAs designated prior to January 1, 2007, shall have
18 until April 15, 2008, to update their benchmarks, goals, objectives,
19 and funding levels for administering the G-TEDA program, in
20 order to make them measurable and conducive to the successful
21 completion of the economic development strategy. The local
22 legislative body and the department shall approve the updated
23 goals and objectives. The updated goals and objectives shall be
24 included as an update to the existing memorandum of
25 understanding between the G-TEDA and the department.

26 (2) G-TEDAs that fail to obtain approved updated goals and
27 objectives by April 15, 2008, shall be dedesignated effective July
28 1, 2008. The Director of Housing and Community Development
29 shall provide notice of prospective dedesignation to the local
30 government no later than May 1, 2008. The director may authorize
31 up to two 60-calendar-day extensions, if the local government and
32 G-TEDA are acting in good faith and the additional time would
33 allow them to meet the requirements of this subdivision. Businesses
34 located within a G-TEDA that have been dedesignated shall
35 continue to have access to tax incentives previously authorized
36 within the G-TEDA pursuant to Section 7082.2.

37 (3) G-TEDAs designated prior to January 1, 2007, are not
38 required to implement the biennial reporting requirements of
39 subdivisions (a) and (b) until October 1, 2009.

1 (4) G-TEDAs that expire prior to January 1, 2010, are not
2 required to meet the conditions of this subdivision.

3 (d) The department shall biennially make available to the
4 Legislature information related to the progress that each G-TEDA
5 is making toward implementing its goals, objectives, and
6 commitments set forth in the original application, the department's
7 memorandum of understanding with the G-TEDA, and the
8 *G-TEDA's* biennial report.

9 SEC. 4. The Legislature finds and declares both of the
10 following:

11 (a) This is an act by the Assembly Committee on Jobs, Economic
12 Development, and the Economy for code maintenance.

13 (b) The changes made by this act to Section 7085.1 of the
14 Government Code are technical, nonsubstantive corrections.

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17 **CORRECTIONS:**

18 **Heading—Authors line 1.**

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